BC Public Service Agency

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2006/07 Annual Service Plan Report

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For more information on how to contact the British Columbia
BC Public Service Agency
see Agency Contact Information on Page 32 or contact:

BC Public Service Agency
PO BOX 9404
STN PROV GOVT
VICTORIA BC
V8W 9V1

or visit our website at
http://www.bcpublicservice.ca

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Message from the Minister and Accountability Statement

It is my pleasure to present the 2006/07 Annual Service Plan report for the BC Public Service Agency. The following report describes activities and achievements, during fiscal 2006/07, as the Agency continues to build a strong public service that, each day, makes a positive difference in the lives of over four million British Columbians.

The BC Public Service Agency supports the Province of British Columbia by providing human resource services across government. In partnership with its ministry clients, the Agency plays a leadership role to ensure B.C.'s public service is planning for the workforce of the future.

During the 2006/07 reporting year, the Agency issued a new Corporate Human Resource Plan, which outlines ways of preparing for a significant workforce transformation, driven largely by an aging population. By 2015, 45 per cent of managers and 35 per cent of bargaining unit employees will be eligible to retire. With a strong provincial economy it is expected the BC Public Service will also be challenged to retain its existing workers. In consideration of these factors, the Corporate HR Plan, to be updated annually, provides a blueprint for building internal capacity, improving the BC Public Service's competitiveness, and better managing for results.

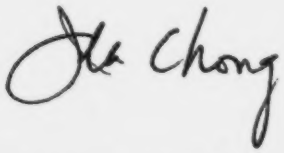
The Province has also launched an aggressive new recruitment campaign under the brand "Where ideas work" that promotes the BC Public Service as an innovative and dynamic career choice.

In order to help make the BC Public Service a more competitive and attractive employer, during 2006/07, the Province initiated a new Pacific Leaders Program. Through this program, the Agency will be offering Graduate Student Fellowships to attract top-quality researchers; loan forgiveness to new and existing employees to give the BC Public Service a competitive edge in recruiting and retaining top employees; a scholarship program designed to support the career development of employees and a similar program to assist children of employees to reach their career goals.

Part of retaining an effective public service is honouring the work of employees. The Agency once again assisted in organizing the Third Annual Premier's Innovation and Excellence Awards, this year highlighting the outstanding achievement of four individuals and five teams, with 152 members.

The BC Public Service Agency is committed to ensuring we have the right people in place to meet the needs of British Columbians today and tomorrow. Through the programs and initiatives led, launched or implemented over the past year, I am confident we are taking steps to ensure the B.C. government is an employer of choice.

The 2006/07 BC Public Service Agency Annual Service Plan Report compares the actual results to the expected results identified in the Agency's 2006/07 Service Plan. I am accountable for those results as reported.



Honourable Ida Chong
Minister of Community Services

June 20, 2007

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Highlights of the Year

It is the role of the BC Public Service Agency to provide leadership in human resource management and services to ministries that will facilitate the achievement of public service excellence in order to realize all five of the Five Great Goals.

Related accomplishments in 2006/07 include the following:

- **Corporate Human Resource Plan** — In collaboration with the Deputy Ministers Council, the Agency helped to inaugurate government's Corporate Human Resource Plan — an accomplishment that signals a change in human resource management across the BC Public Service. Under the new plan, collective efforts will be made to build capacity, increase competitiveness, and manage for results, transforming the BC Public Service from a great organization to "Being the Best."
  - In early 2007, BC STATS and the BC Public Service Agency conducted the second annual Work Environment Survey. All regular and auxiliary employees directly employed by a ministry or equivalent were asked to rate various aspects of their work environment, including their day-to-day work, training and development, physical environment, colleagues, supervisor, executive, and organization. Overall, the survey response rate increased from 64 per cent in 2006 to 70 per cent in 2007 — a very encouraging improvement in terms of employee participation. Of even greater significance, is that the level of overall employee engagement improved from 58 points to 63 points (based on a 100 point scale).
  - The B.C. government is committed to building future capacity and developing the specific skills and experience needed by each of its employees. In support of this goal, staff are now offered more opportunities to laterally transfer between positions. This approach helps to broaden employee experiences, create more rewarding careers, and prepare individuals for future roles. Between 2006 and 2007, staff mobility increased by 21 per cent from 789 to 955 transfers.
  - Effective November 7, 2006, all job competitions within the BC Public Service were opened to the broader public. As a result, external hiring during the past year increased by 59 per cent from 747 placements to 1,188 placements. In addition, recruitment of individuals less than 30 years of age also improved by 36 per cent during the same period, supplementing this under-represented segment of the BC Public Service. These successes illustrate a greater ability to compete in the labour market.
  - The Improvement Awards Program, also known as "Ideas Shine," exists in support of Goal 3 of the Corporate Human Resource Plan: "Managing for Results — Changing the work environment to achieve enhanced productivity, greater innovation and improved workplace health and employee engagement." During 2006/07, employee suggestions under this program generated $5.66 million of savings.

- Market research was conducted to facilitate the development of a new employer brand that promotes the BC Public Service as an innovative and dynamic career choice. "Where ideas work" is now helping the Province to launch an aggressive new recruitment campaign.
- To enhance our employment marketing, the Agency added Recruitment Advertising Specialists to ensure that job opportunities are presented on the website and in newspapers in an appealing and contemporary manner. Since December 2006, over 500 job opportunities have benefited from this new service.
- To compete with the private sector for skilled workers, the BC Public Service needs to support the career development of its employees and those considering a career in the public service. In response to this need, the Pacific Leaders Program was launched. Scholarships, research fellowships and student loan forgiveness are part of the new program to give the Province a competitive edge in recruiting and retaining top employees.

- **Collective Bargaining** — In the spring and early summer of 2006, the vast majority of collective agreements in B.C.'s public sector were renegotiated according to the *Negotiating Framework*. These include the B.C. Government and Service Employees' Union (BCGEU), the Professional Employees' Association (PEA), the Public Service Nurses' Bargaining Association (PSNBA) and the Communications, Energy and Paperworkers Union (CEP — Queen's Printer). On March 30, 2007, the BC Public Service Agency added to the unprecedented success of the *Negotiating Framework* by reaching a 12-year tentative agreement with the B.C. Crown Counsel Association (the agreement was subsequently ratified on April 24, 2007).
- **Premier's Innovation and Excellence Awards** — The Third Premier's Innovation and Excellence Awards Ceremony and Dinner was held on March 27, 2007, at the Victoria Conference Centre. Almost 600 employees, elected officials, and guests were in attendance. Recipients in six categories were recognized, including Innovation, Leadership, Organizational Excellence, Partnership, Service Excellence, and Cross Government Integration. Six Premier's Awards, three Special Achievement Premier's Awards, and ten Finalist Awards were presented. These awards are intended to highlight and reinforce progressive management practices within the BC Public Service and recognize innovation, leadership, and new ideas to improve service delivery.
- **Provincial Employees Community Services Fund** — The fund celebrated 40 years of contributions from BC Public Service employees. Last year donations to communities increased to $1.66 million. The money will be used to support over 400 charitable organizations.

Purpose of the Agency

Purpose

The BC Public Service Agency was formed in 2003 to provide a consolidated human resource service to the BC Public Service and is accountable to the Deputy Ministers' Council through a Memorandum of Understanding and to individual ministries through service level agreements. As established in the *Public Service Act*, the Agency supports its clients (government ministries/ agencies, etc.) in achieving their human resource needs and improving the overall effectiveness of the BC Public Service through the provision of human resource management policies and frameworks and a variety of human resource services, products and programs.

Vision, Mission and Values

Vision

To be the leader in Canada and recognized internationally for public service excellence.

Mission

The BC Public Service Agency provides leadership and services in people management that support public service excellence.

Values

Fulfillment of this role depends on a skilled workforce operating in an innovative and accountable culture, an integrated approach to service delivery and an emphasis on providing the tools and programs to support the public service to achieve their highest potential. Our values below guide us in attaining our goals and are related to our objectives and the measures we have developed to gauge our success in meeting them.

- We provide professional, cost-effective and accountable service.
- Our relationship with our clients is respectful, open and collaborative.
- Through teamwork, we trust and support each other and work across organizational boundaries.
- We model the human resource practices that we wish to see throughout the BC Public Service.

Strategic Context

The BC Public Service is the largest corporate workforce in the province, serving over 280 communities across the province. From frontline workers to researchers and analysts, to systems technicians and others, there is virtually no area of expertise unrepresented. Public servants provide a wide range of services to British Columbians including health care, public safety, education, and environmental management, to name a few. The ongoing provision of these services is challenged by a number of internal and external factors that are helping to change human resource management policies and practices in the BC Public Service.

Internal Factors:

- By 2015, 45 per cent of managers and 35 per cent of bargaining unit staff will be eligible for retirement. Consistent with other employers, the BC Public Service is facing an aging workforce, but unlike other employers, the BC Public Service has a lower percentage of younger workers. People under thirty represent about a quarter of B.C.'s labour force but account for less than 8.3 per cent of the public sector.
- Historically, nine out of ten vacancies in the BC Public Service were filled with internal candidates. Given the number of projected retirements in the next few years, this practice is unsustainable. The BC Public Service is making all of its opportunities available to the broader labour market in order to maintain a vibrant and skilled workforce.
- Between 2001 and 2005, the average age at retirement was 58. Only three per cent of public service employees in British Columbia are 60 years of age or older. Many people are choosing to retire at a relatively early age.
- Projected skills for the future are shifting and the number of public servants employed in more senior positions is increasing. Between 1996 and 2005, for example, the percentage of jobs in the executive cadre rose while the number of junior and mid level managers decreased.

External Factors:

- Research conducted by the Human Capital Institute in Washington, D.C. shows that "*the market for talent may already be the world's most competitive and it is intensifying daily in the face of aging workforces, lower unemployment rates and an inexorable demand for more skills, knowledge, experience and education.*"
  - In British Columbia, falling birth rates and a growing and changing economy will result in increasing competition for labour in all sectors of the province.
  - In 2006, growth in employment outweighed growth in the labour force resulting in an average unemployment rate of 4.8 per cent. In March 2007, B.C.'s unemployment rate fell to a new thirty-one year low of 3.9 per cent. Employment in B.C. is widely expected to continue expanding over the foreseeable future along with a growing economy.

  - Over the next ten years, B.C. is expected to have one million job openings — 350,000 more openings than people graduating from high school.
  - By 2015, the demand for workers will increase by 50 per cent in some sectors.
  - By 2013, the BC Public Service will face 28 per cent more competitors in some fields.
  - Less than 8.3 per cent of our workforce is under 30 years of age yet people under 30 represent 26 per cent of the total provincial labour force.
- Based on the demand for skilled resources, candidates can afford to be more selective and will choose organizations that provide an engaging work environment, good opportunities, and competitive salaries and benefits.
- Market research shows that many eligible applicants do not consider public service careers. Enhanced efforts are needed to market public service careers.

Report on Performance

The government's Strategic Plan calls for the achievement of Five Great Goals that are intended to achieve a long term vision for British Columbia — a prosperous and just province, whose citizen's achieve their full potential and have confidence in the future. The Five Great Goals include the following:

1. Make British Columbia the best-educated, most literate jurisdiction on the continent.
2. Lead the way in North America in healthy living and physical fitness.
3. Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk, and seniors.
4. Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.
5. Create more jobs per capita then anywhere else in Canada.

The achievement of all of these goals requires a strong and nimble public service that strives to be the leader in Canada and recognized internationally for public service excellence.

The drive toward service excellence requires every employee to challenge the status quo, to look for ways to improve performance in the organization and to turn good ideas into action. Improving the way the BC Public Service operates requires a workforce that is engaged, an ability to attract and retain top talent, flexibility to adjust to emerging priorities, an ability to grow and share knowledge freely, and collaboration across various business units. Public servants are more likely to recommend the BC Public Service as a great place to work and be prepared to move beyond the status quo if they feel energized, inspired by their leaders and valued for the contributions that they make.

Performance Plan Summary Table

This section reports on the Agency's accomplishments and performance measure achievements under each goal, in the context of its goals, objectives and strategies.

Goal 1: Government is supported by a professional public service that has the knowledge, skills and abilities to achieve current and future objectives. (For greater detail see pages 14 to 16)	**2006/07 Target**	**2006/07 Actual**
1.1 The recruitment policy, process and tools in the B.C. provincial government facilitate hiring of highly competent employees		
Percentage of managers who report they are able to attract the talent they need.	New Measure	Data Unavailable
1.2 The B.C. provincial government is recognized as an attractive employer.		
Percentage of managers who report they are able to retain the talent they need.	New Measure	Data Unavailable

Goal 2: The BC Public Service promotes a safe and healthy workplace that supports the well-being of employees. (For greater detail see pages 17 to 20)	**2006/07 Target**	**2006/07 Actual**
2.1 Safe workplaces.		
2.2 Safe and timely returns to work for individuals who are ill or injured.		
2.3 Healthy and productive work environments.		
Percentage of employees who say that a safe and healthy workplace exists in their work unit.	65	66 Achieved

Goal 3: The BC Public Service is a versatile workforce that can adapt to meet changing needs. (For greater detail see pages 20 to 22)	**2006/07 Target**	**2006/07 Actual**
3.1 Accelerate the development of people for key roles across the BC Public Service.		
3.2 Facilitate knowledge sharing across the organization.		
3.3 Foster continuous learning across the organization.		
Percentage of managers who report their employees have the skills to meet their current and future needs.	New Measure	58%

Goal 4: BC Public Service employees understand their roles, how their work contributes to achieving the goals of government and are focused on results. (For greater detail see pages 22 to 25)	2006/07 Target	2006/07 Actual
4.1 Employee engagement is measured, addressed and improved.		
Employee engagement rating.	>58	63 ACHIEVED
4.2 Employees receive strong orientation to their jobs and the BC Public Service.		
Percentage of employees who understand how their work contributes to achieving Service Plan objectives.	65	70 ACHIEVED
4.3 Facilitate performance management best practices.		
Percentage of employees who have had a formal performance review in the last year.	100%	70% NOT ACHIEVED

Goal 5: BC Public Service employees exhibit the highest standards of conduct. (For greater detail see pages 26)	2006/07 Target	2006/07 Actual
5.1 Ensure all employees fully understand their roles and obligations as public servants.		
Percentage of employees who demonstrate knowledge of their responsibilities and obligations as a public servant.	NEW MEASURE	DATA UNAVAILABLE

Goal 1: Government is supported by a professional public service that has the knowledge, skills and abilities to achieve current and future objectives

The BC Public Service faces a potential labour shortage brought on by an aging population and increasing competition in the marketplace. At the same time, the public service is undergoing significant transformation and will need to ensure the right skills are available in the right place at the right time to deliver critical public services. To attract high-quality applicants, the BC Public Service must not be just visible in the labour market but considered an attractive employer. This goal is vital to ensure the continuation of a high-quality public service. It supplements the corporate human resource goal of improving our competitiveness.

Objective 1.1: The recruitment policy, process and tools in the B.C. provincial government facilitate hiring of highly competent employees

Faster decision-making and more effective recruitment is necessary to support and deliver government's business goals.

Strategies

Key strategies for this objective include:

- Facilitate Workforce Planning activities across government and lead the development of a revised Corporate Human Resource Plan;
- Facilitate targeted recruitment campaigns; and
- Provide training and tools to support managers to make sound hiring decisions.

Other 2006/07 activities undertaken in support of this objective include:

- Managers and supervisors now have the ability to view and approve online job advertisements and receive candidate applications electronically, facilitating faster hiring decisions.
- A cross government plan was developed to initiate a unified recruitment mission. During 2007, efforts will be made to create a major presence in high schools and on campuses showcasing current and emerging employment opportunities.
- A workforce planning model that performs projections of the remaining workforce supply and future workforce demand was developed. The projections permit analysis of future retirements, terminations, growth assumptions tied to strategic business plans, annual hiring gaps, age and service composition, and compensation.
- Every ministry has now prepared a workforce plan that identifies turnover and critical at-risk positions within their organization. The information is being used to improve access to training programs and facilitate targeted recruitment in key occupational streams such as alternative service delivery, finance, and project management.

Objective 1.2: The B.C. provincial government is recognized as an attractive employer

As Canada ages, falling birth rates and strong and sustained economic growth in Western Canada will create an increasingly competitive labour market. Consistent with Goal 2 in the Corporate Human Resource Plan, the BC Public Service will need to improve its competitiveness so that it can vie with the private sector for talented people to meet its workforce needs now and in the future. Establishing a higher profile in the external marketplace through marketing and recruitment efforts will form one part of a larger, multi-faceted human resource strategy to address the projected workforce challenges.

Strategies

Key strategies for this objective include:

- A new government-wide employment brand was introduced promoting the BC Public Service as an employer "Where ideas work."
- To improve and heighten awareness of employment opportunities within the BC Public Service, more extensive use of recruitment advertising was utilized in 2006. During the latter part of 2006/07, government increased career advertising by 20 per cent from 393 ads to 479 ads with no increase in costs.

Performance Results

Future performance with respect to Goal 1 will be based on the *percentage of individuals appointed to the public service based on merit*. In light of this planned change, data for the 2006/07 measures, *percentage of managers who report they are able to attract the talent they need* and *percentage of managers who report they are able to retain the talent they need*, was not collected. The new measure is based on professional audit standards and a random sampling process administered by BC STATS and as such, is considered to be more objective.

Merit means that appointments will be non-partisan and made on the basis of an assessment of competence and ability to do the job. The Merit Commissioner monitors the application of the merit principle in the BC Public Service. This is done, first, by conducting a random audit of appointments to and from within the public service. The audit checks whether the appointments are the result of a merit based process and that the individuals appointed are competent and qualified to do the job. Merit is also monitored by reviewing appointments on request from employee applicants who believe that the merit principle was not applied to specific appointments for bargaining unit positions.

In 2005/06, 70 appointments were audited. Compliance with the merit principle was confirmed in 68 of the investigations (97.1 per cent). In the other two remaining audits, insignificant documentation was retained in the competition file to support a conclusion. The positive findings of the Merit Commissioner would suggest that recruitment policies, processes, and tools employed by the BC Public Service support the recruitment of highly competent employees and consequently, the BC Public Service is well-positioned to meet current and future service delivery needs.

Corresponding data for 2006/07 was not available when the Agency's Service Plan Report was being prepared. The sample size for 2006/07 is substantially larger and as a result, the Merit Commissioner's findings were taking more time to compile and finalize.

Goal 2: The BC Public Service promotes a safe and healthy workplace that supports the well-being of employees

Government is committed to creating and maintaining a work environment that is safe for all of its employees all of the time. We are also committed to improving workplace health and the health of our employees. Every ministry in government is promoting and providing opportunities for employees to learn more about their health and to take steps to healthier living. From our corporate flu vaccine program to the ActNowBC strategies that ministries are pursuing, we expect to see results from more employees focused on their health and on improving the health of their workplace. Regional Occupational Safety and Health Specialists continue to provide expert advice, direction, knowledge, tools, and support necessary to assist ministry clients in the implementation and maintenance of effective Occupational Safety and Health management programs.

Objective 2.1: Safe workplaces

Maintaining a safe workplace promotes the well-being of employees and helps to ensure the uninterrupted provision of provincial programs and services.

Strategies

Key strategies for this objective include:

- Develop an occupational safety strategic plan for the BC Public Service;
- Provide client organizations the direction, knowledge, tools and support necessary to implement and maintain effective safety management programs; and
- Enhance safety reporting.

Additional activities undertaken in 2006/07 to enhance workplace safety include:

- Occupational Safety and Health related training was provided to over 1,200 public service employees in:
  - Violence Prevention training;
  - Workplace Violence Risk Assessment training;
  - Workplace Ergonomic Assessment training;
  - Joint Safety and Health Committee member training; and
  - Accident investigations.
- A new website was updated and launched providing a range of information and guides that help employees understand their safety and health responsibilities. The web content is tailored to three main groups: executives, managers/supervisors and all employees.

- The introduction of a new web-based First Aid Needs Assessment tool has saved approximately 2,500 person hours of manual assessment time.
- In collaboration with the B.C. Government and Service Employees' Union, the University of British Columbia, and the Occupational Health and Safety Agency for Healthcare in BC, the Agency is developing a web-based tool for assessing workplace violence risks and implementing a violence prevention plan.

Objective 2.2: Safe and timely returns to work for individuals who are ill or injured

The Government of British Columbia is committed to providing an efficient and effective public service and recognizes the importance of managing health-related absences to enhance this commitment.

Strategies

Key strategies for this objective include:

- Continuous improvement to the Disability Case Management function so that clients and employees receive the best possible service; and
- Implement enhanced reporting for clients.

Objective 2.3: Healthy and productive work environments

Strategies

Key strategies for this objective include:

- Evaluate needs and develop a health strategy proposal for the BC Public Service.
- Develop and implement appropriate workplace programs and tools that are available to help reduce health risks.
- Assess needs and implement regular reporting.

Additional activities undertaken in 2006/07 to promote health and productive work environments include:

- Developed a Corporate Health and Productivity Strategy that will deliver preventive health programs benefiting employees and their families and improve the sustainability and total operating efficiency of the BC Public Service. The strategy will supplement existing programs such as the Employee and Family Assistance Program and the Cold and Flu Program that have demonstrated positive benefits.

Performance Results

Performance Measure	2005/06 Baseline	2006/07 Target	2006/07 Actual
Percentage of employees who say that a safe and healthy workplace exists in their work unit.	62	65	66 ACHIEVED

Data Source: Data for this measure is based on the following question in the BC Public Service Work Environment Survey, "A healthy atmosphere (e.g., trust, mutual respect) exists in my work unit." Employees originally answered the question using a five-point scale, which ranged from '1' (Strongly disagree) to '5' (Strongly agree). Responses were converted into a new value ranging from 0 to 100 and then averaged for comparative purposes:

5-point Survey Scale	New Values
1 (Strongly disagree)	0
2	25
3	50
4	75
5 (Strongly agree)	100

Tracking the percentage of employees who agree or strongly agree with a question does not consider the full range of responses. Using average scores for benchmarking is more appropriate.

Discussion of Results

The Agency is encouraged by the above noted results for 2006/07. Two other related questions in the Work Environment Survey also support achievement of this goal:

"My physical work environment is satisfactory."	Average score of 61 in 2005/06	Average score of 63 in 2006/07
"The physical security of my workplace is satisfactory."	Average score of 66 in 2005/06	Average score of 69 in 2006/07

The B.C. Government's investment in employee health benefits helps to foster a healthy and engaged workforce. Our benefits package is very similar to other large employers and is a key factor in the attraction and retention of qualified employees.

Effective return-to-work programs continue to assist in reducing illness and injury costs. Compared to the provincial/national public sector average of 10.2 days of sick leave per employee, the BC Public Service average for sick leave in 2006 was 8.5 days per employee. This difference represents $8 million in avoided costs.

Total health benefit costs for the BC Public Service were approximately $140 million in 2006, down from $141 million in 2005. Whereas provincial health care funding increased by approximately 4.0 per cent between 2005/06 and 2006/07, the average health care cost for

a BC Public Service employee increased by 0.4 per cent from $5,038 in 2005/06 to $5,058 in 2006/07. Cost containment measures include effective administration, deductibles, cost sharing and information sharing.

Goal 3: The BC Public Service is a versatile workforce that can adapt to meet changing needs

Public service work is predominantly knowledge work and employees of government are predominantly knowledge workers. Knowledge is different from every other historical means of production. It becomes obsolete rapidly. It cannot be inherited. It must be acquired at the individual level. In a knowledge society, a person's and the organization's ability to acquire and share knowledge is their most important competency. Accordingly, one of the most important investments the government can make is an investment in its employees — its human capital. In an era of increasing labour market competition, sustained investment in human capital is necessary to attract and retain the required talent and to provide high quality public services that adapt to changing needs.

Objective 3.1: Accelerate the development of people for key roles across the BC Public Service

Based on recently completed workforce plans, ministries identified vulnerable or high-risk roles that will be affected by anticipated attrition. Government must ensure that suitable candidates are ready to fill critical roles and positions as more people retire. By rapidly training and developing a continual supply of qualified and ready candidates, government will ensure that its business goals are met and organizational performance is enhanced.

Strategies

Key strategies for this objective include:

- Target learning to key and critical roles;
- Implement a comprehensive succession management program to prepare employees for new assignments across the organization; and
- Target developmental assignments to areas of highest need:
  - — Targeted training was provided for three levels of project management (an "at-risk" job stream) to a wide range of employees;
  - — To promote targeted learning in the finance stream (another "at-risk" job stream), the Financial Competency Framework was updated and revised.

Objective 3.2: Facilitate knowledge sharing across the organization

Given the volatile nature of knowledge and pending succession challenges faced by the government over the foreseeable future, the transfer of knowledge for reuse, awareness, and training is an essential element of government's desire to build internal capacity and keep pace with social, economic, and technological changes.

Strategies

Key strategies for this objective include:

- A "Community of Practice" on knowledge sharing was created with representation from across the government. The main purpose of the group is to strengthen the use of knowledge sharing tools and techniques. The Agency also promoted the establishment of communities of practice across government through presentations, seminars, and the provision of consultative advice.
- To support an informal and self-directed approach to learning, the new program, *Managing in the BC Public Service*, uses a repository of information provided by our partner, the Corporate Library.

Objective 3.3: Foster continuous learning across the organization

In fast moving and competitive environments, complacency and rigidity are fatal. Learning promotes perspective and innovation and is a key driver of change. Empirical studies in both public and private sector organizations have shown that learning investments produce substantial economic returns to organizations through reduced costs, increased efficiencies and other direct and indirect benefits that improve the performance and competitiveness of the organization.

Strategies

Key strategies for this objective include:

- Balance the focus of employee learning between formal and informal opportunities to learn job related skills;
- Introduced a new training program for competency based interviewing in support of new hiring approaches;
- To facilitate learning, hiring courses now follow-up coaching to reinforce and enhance classroom sessions; and
- A number of e-learning modules were developed to support the implementation of performance management.

Performance Results

Performance Measure	2006/07 Baseline	2006/07 Actual
Percentage of managers who report their employees have the skills to meet current and future needs.	New Measure	58%

Data Source: Data for this measure is based on the following question in the BC Public Service Work Environment Survey, "My employees have the skills to meet current and future needs."

Discussion of Results

Goal 3 and the corresponding performance measure are new for 2006/07. The results achieved during the past year establish a baseline for future reporting (the 2007/08 target is set at 75 per cent).

As noted in the Corporate Human Resource Plan, government recognizes the importance of investing in its people and building capacity. All employees currently have the opportunity for continuous learning and knowledge sharing. New learning and training opportunities as well as specialized learning and development programs are also targeted to critical positions identified by ministries as being "at-risk". The Agency will continue to work with the Deputy Ministers' Council to address learning and development issues so that B.C.'s public service is able to deliver quality services to an increasingly diverse population.

Goal 4: BC Public Service employees understand their roles, how their work contributes to achieving the goals of government, and are focused on results

A public service striving for service excellence and innovation requires a workforce that is engaged, flexible to adjust to emerging priorities and supported to get the right results. Performance management practices vary widely across government and better tools to support ministries in managing performance across the BC Public Service are required. This goal is intended to ensure employee understanding of their roles and to focus their contributions to most effectively support the organization's goals and objectives.

Objective 4.1: Employee engagement is measured, addressed and improved

Research shows that organizations with more engaged employees tend to outperform organizations with less engaged employees. In the private sector, highly engaged organizations tend to be more productive and profitable, experience less turnover and absenteeism, and retain more employees. By measuring employee engagement in the BC Public Service and developing specific, targeted strategies to improve annual results, management hopes to strengthen the work

environment, consistent with Goal 3 of the Corporate Human Resource Strategy, *Managing for Results*. The ultimate aim is to make the BC Public Service a more productive workforce — one that results in better public services.

Strategies

Key strategies for this objective include:

- Implement annual engagement survey and develop strategies to address issues that arise out of the survey results; and
- Benchmark engagement across Canada.

Objective 4.2: Employees receive an effective orientation to their jobs and the BC Public Service

New employee orientation helps to effectively integrate a new employee into the work environment; assists with retention, motivation, and job satisfaction; and enables the individual to become a contributing member of the work team. Orientation contributes to productivity through employee engagement; it promotes clarity from the moment of hiring and helps to establish loyalty.

Strategies

Key strategies for this objective include:

- A corporate orientation model was developed. Implementation is pending endorsement by the Agency's clients and customers.

Objective 4.3: Facilitate performance management best practices

Employee performance management is a process a manager and employee participate in throughout the year. The process and supporting tools encourage an approach that increases success in achieving business goals.

Strategies

Key strategies for this objective include:

- Provide tools to improve how government manages employee performance;
- Align employee performance management processes with government strategic and business planning processes;
- A new website in support of performance management was launched during the year; and

- A common evaluation standard has been adopted across the BC Public Service to guide managers and supervisors as they assess employee performance. Employee performance is reviewed against the two aspects of the Employee Performance and Development Plan: work goals (the what) and the demonstration of behavioural competency actions that support achieving the work goals (the how).

Performance Results

Performance Measures	2005/06 Baseline	2006/07 Target	2006/07 Actual
Employee engagement in the BC Public Service.[1]	58	Improvement	63 Achieved
Percentage of employees who understand how their work contributes to achieving Service Plan objectives.[2]	61	65	70 Achieved
Percentage of employees who have had a formal performance review in the last year.[3]	63%	100%	70% Not Achieved

Data Source: Data for these measures are based on the BC Public Service Work Environment Survey conducted by BC Stats.

[1] This particular result in the Work Environment Survey is not expressed as a percentage.

[2] Average score based on the following question, "I know how my work contributes to the achievement of my organization's goals."

[3] Based on the following question, "Have you had a performance review in the last 12 months?"

Discussion of Results

Each year the BC Public Service measures employee engagement through the Work Environment Survey. An engaged employee is a person who is fully involved in, and enthusiastic about, his or her work. Ratings for each element of engagement (commitment, organization satisfaction, and job satisfaction) are averaged based on a 100-point scale.

In 2005, government committed to taking over the survey from the Office of Auditor General and agreed to survey staff annually. The Public Service Agency administers the survey in partnership with BC STATS. The survey tool and methodology used by BC STATS is similar to that employed by the Office of the Auditor General in 2001 and again in 2003, however it has been changed in ways that will allow the public service to make better comparisons between our work environment and those in other public sector jurisdictions. As a result of these differences, a direct comparison with previous results compiled by the Office of the Auditor General is not possible; however the conclusion remains the same: the BC Public Service needs to continue to strive to improve its work environment and the engagement of its employees in order to better deliver on results for government.

Engagement is a long-term commitment to people and it will take time to affect and sustain cultural change. Over the short-term, significant changes to the employee engagement rating are not anticipated. Accordingly, the Agency is very encouraged by the noticeable improvement to the engagement rating during the past year.

Results for the second measure, *percentage of employees who understand how their work contributes to achieving Service Plan objectives*, are consistent with the improved employee engagement rating. Helping employees to understand how their work contributes to achieving service plan objectives promotes teamwork, commitment, job satisfaction, and organization satisfaction. The Province will continue to strive for ongoing improvements to this measure.

Although the year-over-year results for the third measure, *percentage of employees who have received a performance review*, are encouraging, they fail to meet government's target. The achievement of government's business goals is highly dependent on a workforce that is performing to the best of its ability. Corresponding results for the Agency are more positive: 79 per cent of respondents had a performance review in the past 12 months.

Agency Response

The need for performance reviews is a new mandatory requirement within the BC Public Service that is gaining a greater awareness among government employees. As a result, future improvement is anticipated. In support of this need, the Agency created a new employee performance management framework with the following components:

- Revised policies and tools;
- New corporate evaluation standards;
- Online learning modules for employees and supervisors;
- Updated formal classroom training sessions; and
- Corporate standards for key roles.

In addition, the Agency has plans underway to introduce a consistent corporate online e-performance system in 2007/2008 that will support and reinforce a consistent approach to performance management across the BC Public Service and will allow more frequent reporting and tracking by Deputy Ministers and Executives on their progress towards implementation.

Leading organizations that have reached 100 per cent, have reported that achieving these targets can take from one to three years to realize full implementation and that full implementation can only be realized with the full introduction of a comprehensive suite of tools to support the change. We believe that we are now well positioned to achieve more success in this area and the BC Public Service Agency will continue to monitor progress and provide corporate reports to Deputy Ministers Council on the progress of ministries towards full implementation.

Goal 5: BC Public Service employees exhibit the highest standards of conduct

The BC Public Service is held to a high standard due to its responsibility to the citizens of British Columbia.

Objective 5.1: Ensure all employees fully understand their roles and obligations as public servants

To ensure that standards of conduct are met, public servants must be keenly aware of the expectations of them in terms of their work and conduct on the job.

Strategies

Key strategies for this objective include:

- Implement an annual program for all employees to ensure their understanding of and commitment to the standards expected of all public servants.

Performance Results

Performance Measure	2006/07 Baseline	2006/07 Actual
Percentage of employees who demonstrate knowledge of their responsibilities and obligations as a public servant.	New Measure	Data Unavailable

Discussion of Results

This performance measure was slightly refined in the 2007/08 – 2009/10 Service Plan to measure the percentage of employees who understand their responsibilities and obligations as a public servant.

The Government of British Columbia believes that the highest standards of conduct among public service employees are essential to maintain and enhance the public's trust and confidence in the public service. The conduct and language of public service employees in the workplace must meet acceptable social standards and must contribute to a positive work environment. The requirement to comply with such standards is a condition of employment.

Results for this measure are not currently available. The Agency is in the process of developing a survey tool, pending consultation with the B.C. Government and Service Employees' Union and final approval of revised standards of conduct. Consultations have taken longer than expected, delaying the Agency's ability to report on this measure.

Resource Summary Table

Core Business Area	Estimated	Other Authorizations[1]	Total Estimated	Actual	Variance (Under)/Over
Operating Expenses ($000)					
Business Transformation	1,264	24	1,288	1,315	27
Client Services	11,156	312	11,468	11,419	(49)
Talent Management	1,188	81	1,269	1,212	(57)
Employee Relations	3,240	69	3,309	3,054	(255)
Compensation, Benefits and Policy	4,196	181	4,377	1,870	(2,507)
Executive and Support Services	4,474	1,924	6,398	4,732	(1,666)
Total	**25,518**	**2,591**	**28,109**	**23,602**	**(4,507)**
Full-time Equivalents (FTEs)					
Business Transformation	10	0	10	16	6
Client Services	171	0	171	183	12
Talent Management	17	0	17	18	1
Employee Relations	35	0	35	31	(4)
Compensation, Benefits and Policy	125	0	125	99	(26)
Executive and Support Services	5	0	5	4	(1)
Total	**363**	**0**	**363**	**351**	**(12)**
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)					
Business Transformation	984	0	984	0	(984)
Client Services	0	0	0	27	27
Talent Management	0	0	0	2	2
Employee Relations	0	0	0	0	0
Compensation, Benefits and Policy	0	0	0	0	0
Executive and Support Services	270	0	270	146	(124)
Total	**1,254**	**0**	**1,254**	**175**	**(1,079)**

[1] Amounts identified under "Operating Expenses" include $1.913 million for the Labour Market Fund and $678,000 for recently negotiated wage settlements. Both amounts were funded by a transfer from the Contingencies Vote.

Core Business Descriptions

Business Transformation: This business area provides for transformative change within the human resource function in order to continue to enhance client satisfaction, improve efficiency, reduce costs and increase innovation. Recoveries are received from internal parties for services provided under this program.

Client Services: This business area provides for a full range of day-to-day human resource consulting and related human resource services and programs on a regional basis to assist clients in meeting their business goals. This business area also provides for the delivery of the Disability Management and Occupational Safety Programs. Recoveries are received from internal and external parties for services provided under this business area.

Talent Management: This business area provides for leadership and services in the areas of workforce and succession planning, hiring and deployment, employee development and integration and incentives for recruitment into the BC Public Service. In addition, this business area provides for the services of the Leadership Centre, which exists to recruit, deploy and develop senior leaders across the public service. Talent Management also delivers a suite of learning services and employee rewards and recognition. Recoveries are received from internal parties for services provided under this business area.

Employee Relations: This business area provides for a full range of labour relations and workforce adjustment services including negotiation and administration of collective agreements, labour relations advice and dispute resolution. Recoveries are received from internal parties for services provided under this business area.

Compensation, Benefits and Policy: This business area provides for services in compensation, health, benefits, terms and conditions of employment for excluded staff, related policy and program development for these business lines and the Agency's policy coordination and legislation. This business area also provides for the management of the Community Services Fund, a public service wide annual drive for, and disbursement of, charitable donations. Recoveries are received from internal and external parties for services provided under this business area.

Executive and Support Services: This business area provides for the executive direction of the BC Public Service Agency, administrative support services, policy and program development, communications, strategic planning, performance management and provides support to independent offices. Other administrative services, including financial, human resources, information systems, facilities management and freedom of information and protection of privacy, planning and performance management are provided by the Ministry of Finance. Recoveries are received from ministries for services provided under this business area.

Report on Resources

Operating Expenses:

For the fiscal year ending March 31, 2007, the BC Public Service Agency under-spent its operating budget by $4.507 million. The variance represents 16 per cent of the total net funding envelope for the Agency and largely consists of under-expenditures generated by employee benefit programs ($2.298 million) and the newly-created Labour Market Fund ($1.913 million). The remaining surplus ($296,000) represents administrative efficiencies associated with running the day-to-day operations of the Agency.

Employee benefit expenditures for the public service are notionally funded through a $1,000 vote structure within the Compensation, Benefits and Policy Sub-vote, where all expenditures, except $1,000, are recovered from ministries and any external clients who participate in public service benefit plans, including the BC Pension Corporation and Oak Bay Lodge. Recoveries fund benefit plan carrier programs, such as Pensions and Extended Health and Dental and internal programs, such as the Public Service Employee Learning Fund and the Occupational Health and Safety Program.

Although significant efforts are made to accurately budget and forecast benefit funding requirements, various factors may impact the Agency's ability to reliably predict what actual funding requirements will be and hence the Agency's ability to realize net spending within $1,000. Employee benefits are based on terms and conditions of employment; they are non-discretionary entitlements. The Agency cannot slash or limit spending in order to meet budget targets. Other typical factors that may influence the year-end position include the following:

- post-Bluebook changes made to benefit plan carrier costs, such as Medical Service Plan premium increases;
- fluctuating staffing complements and associated salary costs (i.e., brought about by staff turnover or hiring strategies);
- increases/decreases to benefit usage (i.e., during the recent workforce adjustment initiative, government experienced a dramatic increase in extended health/dental usage);
- unanticipated government reorganizations where entities are unexpectedly included/excluded in/from the public service (i.e., recent dissolution of Land, Water BC); and
- post-Bluebook actuarial evaluations for the pension plan or retiring allowance.

During the latter part of 2006/07, government established the Labour Market Fund — a new recruitment and retention initiative for excluded employees. The fund is managed by the Agency on behalf of all ministries and includes half of one per cent of excluded payroll to help offset the

cost of issues faced by ministries. Funding for this initiative will increase from an initial allocation of $1.913 million in 2006/07 to $3.932 million in 2007/08, $6.061 million in 2008/09, and $8.304 million in 2009/10. No related expenditures were incurred in 2006/07.

Since its creation in 2003/04, the Agency's year-end variance has fluctuated within an absolute value of $5 million. In light of this trend, the 2006/07 under-expenditure is not unreasonable.

	2004/05	2005/06	2006/07
Agency Operations	533,000	1,202,000	296,000
Employee Benefits Vote	4,508,000	1,638,000	2,298,000
Labour Market Fund	—	—	1,913,000
Total	**5,041,000**	**2,840,000**	**4,507,000**

Full-time Equivalents:

The Agency under-utilized its authorized full-time equivalent allocation of 363 FTE's by 12 FTE's. The variance can be attributed to temporary recruitment savings.

Consolidated Revenue Fund Capital Expenditures:

In a given year, approximately 80 per cent of the Agency's capital envelope is earmarked for acquisitions of information technology. During 2006/07, related investments were curtailed pending a strategic review of information management/technology needs. The Agency's new three year plan includes development of a corporate human resource data warehouse and supporting analytical tools. Planned spending in each of the next three years will increase from $4,000 in 2006/07 to approximately $1.3 million.

Agency Contact Information

Head Office			
Victoria	810 Blanshard Street V8W 2H2 PO Box 9404, Stn Prov Govt V8W 9V1	Phone:	250 387-0518
Vancouver Island Region			
Nanaimo	#503 – 345 Wallace Street V9R 5B6	Phone: Fax:	250 741-5472 250 741-5475
Victoria	940 Blanshard Street, 3rd Floor V8W 3E6 PO Box 9481 V8W 9E7	Phone: Fax:	250 356-1500 250 387-0886
Northern Region			
Prince George	#500 – 1011 4th Avenue, 5th Floor V2L 3H9	Phone Fax:	250 565-4242 250 565-4249
South Coast Region			
Abbotsford	#220 – 2881 Garden Street V2T 4X1	Phone: Fax:	604 557-1700 604 504-4113
Burnaby	#204 – 4940 Canada Way V5G 5K6	Phone: Fax:	604 660-3900 604 660-3994
Vancouver	865 Hornby Street, 8th Floor V6Z 2G3	Phone: Fax:	604 660-0828 604 660-0457
Southern Interior Region			
Kamloops	167 Lorne Street V2C 1V9	Phone: Fax:	250 371-4330 250 377-4472
Nelson	310 Ward Street, 2nd Floor V1L 5S4	Phone: Fax:	250 354-6161 250 354-6224

For more information on the British Columbia Public Service Agency, please visit our website at: http://www.bcpublicservice.ca.

For more information on this and other ministry service plans and annual service plan reports, please visit: http://www.bcbudget.gov.bc.ca/2007/serviceplans.htm.

Annual Service Plan Report Appendices

Appendix 1: Glossary

Agency Refers to the BC Public Service Agency.

Client Refers to the Deputy Ministers or the Heads of Agencies entering into individual Service Level Agreements with the BC Public Service Agency.

Customer Refers to the actual users of the services of the BC Public Service Agency including executives, managers, employees, and employee representatives that interact with or receive services from the Agency.

Appendix 2: Legislation Administered by the Agency

BC Public Service Act

Public Service Benefit Plan Act

Public Service Labour Relations Act

Appendix 3: Performance Measurement Changes 2006/07 Compared to 2007/08

The Agency's Service Plan goals and objectives continue to focus on attracting, recruiting, and retaining the highest caliber employees, in support of realizing all five of government's Five Great Goals. The 2007/08 Service Plan goals and objectives remain unchanged from 2006/07. The 2007/08 Service Plan performance measurements remain largely unchanged from 2006/07. The following table summarizes the changes:

Agency Goals	2006/07 Performance Measures	2007/08 Performance Measures
1. Government is supported by a professional public service that has the knowledge, skills and abilities to achieve current and future objectives.	Percentage of managers who report they are able to attract the talent they need. Percentage of managers who report they are able to retain the talent they need.	Percentage of individuals appointed to the public service based on merit.
5. Public service employees exhibit the highest standards of conduct.	Percentage of employees who demonstrate knowledge of their responsibilities and obligations as a public servant.	Percentage of employees who understand their responsibilities and obligations as a public servant.

Appendix 4: Operational Funding Changes 2006/07 Compared to 2007/08

Effective April 1, 2007, the Agency implemented a new funding model, in collaboration with its clients. The new model is intended to be more responsive to clients' needs using a cost recovery model for core human resources services. As a result of the adopted changes, funding that was centrally consolidated in the Agency in 2005/06 was repatriated back to ministries. Financial support for the Agency is now structured around four components:

1. **Central Governance**
   Funding for central governance provides support for legislation, policy, research, and strategic planning for all lines of business including the Deputy Minister's Office and Leadership Centre.

2. **Employee Benefits ($1,000 sub-vote)**
   Programs and services falling under the employee benefits sub-vote were rationalized such that only services/programs that provide a direct benefit to employees were included in the sub-vote.

3. **Core Human Resource Services (fixed chargeback recovered from ministries)**
   This is a single chargeback for all core human resource services based on an annual forecast negotiated with clients. For 2007/08, the budgeted recovery from ministries is $33.943 million (approximately $1,400 per FTE). The Agency continues to hold $498,000 to fund services provided to agencies, boards, and commissions.

4. **Fee-for-service (chargeback to ministries and other organizations based on actual services provided)**
   Services offered would include items such as job description writing, customized ministry training programs, hiring services, and facilitation services for ministry learning plans.